

Openness to, and Restriction Upon, Foreign Investment

The Government of Suriname (GOS) identified Foreign Direct Investment (FDI) as the primary vehicle for future economic development. The Suriname Investment and Development Corporation is a government initiative administered by the Cabinet of the President. It supports and encourages business development through foreign and local investment in a number of different sectors. In addition, the GOS Development Plan for 2012-2016 identifies international partnerships as a particularly important means to help develop the economy. This includes both bilateral and multilateral partners, as well as private foreign investors. The GOS focuses on developing the mining, tourism, forestry, and agriculture sectors.

The judicial system is largely independent and upholds the sanctity of contracts, and enforces them in accordance with their terms. When a business disputes a signed contract it has the right to take the case to court. The judiciary consistently upholds local law, applies it, and enforces it for local and international businesses. However, processing of cases is slow, bureaucratic, and inefficient, hampered by a high caseload, corruption, and not enough judges to address the judiciary's workload effectively.

There is no economic or industrial policy that has a discriminatory effect on foreign investors or foreign-owned investments, except the oil sector. In this sector, ownership is limited by law to the State Oil Company Suriname (Staatsolie). Staatsolie has sole ownership of all oil-related activities. Access to this sector is only possible through Exploration and Production Sharing Agreements in partnership with Staatsolie. Oil exploration agreements with foreign firms are established through fair competitive bidding. All other sectors are open to foreign ownership. In those cases, foreign companies, like local companies, are required to register with and join the Suriname Chamber of Commerce and Industry (KKF), and obtain appropriate licenses as necessary.

Unless requesting special investment incentives, smaller foreign investments are not subject to more screening processes than local companies. Standard screening is usually done by the KKF. Each Ministry oversees major investments for the specific sectors within its purview. In these cases, a special commission screens the potential investment and all necessary financial and legal documentation must be presented for review. Major investments, particularly in the mining sector, go through extensive negotiation processes to determine the terms of investment. In all cases, small or large, filing is mandatory. The purposes and criteria for screening of investments vary depending on the nature of the investment, but are primarily meant to assure that the investment is within the legal parameters of trade legislation. This screening process usually takes place at the beginning of the investment process. Once the business is running, secondary screening is unlikely.

Caribbean Single Market and Economy (CSME) countries have favored status over other foreign investors; however, in light of the need for foreign investment in most Caribbean economies, it is unlikely that, in practice, larger international firms would be denied investment opportunities. The Economic Partnership Agreement (EPA) signed with the European Union provides European companies better market access to the CARIFORUM countries. The GOS does not regulate competition within Suriname; however, the State Council is reviewing draft legislation on competition. The CARICOM Competition Commission is based in Paramaribo. This Commission monitors potential anti-competitive practices for enterprises operating within the CSME and provides support to member states in promoting and protecting consumer welfare. The Commission also investigates and arbitrates cross-border disputes.

There is no discrimination specifically targeted at foreign investors at the time of the initial investment or after the investment is made, such as through special tax treatment, access to licenses, approvals or procurement. In practice, different investors (both foreign and local) are offered different deals at the discretion of the GOS, represented by the Ministry negotiating the deal. Furthermore, in major investments, investment benefits are usually obtained through negotiations with the government and can change depending on sector and the company's negotiating strength.

There is no law requiring that Surinamese nationals own a share of foreign investments, nor is there a requirement that the share of foreign equity be reduced over time. In an effort to maximize the country's income, the GOS plans to participate in investments in the mining sector. The GOS negotiated an option with IAMGold to participate directly in the expansion of the Rosebel Gold Mine through an equity stake, and with Newmont Mining for the same in its operations, requiring a total government investment, for both agreements, of about US\$402 million. There are no laws or regulations specifically authorizing private firms to adopt articles of incorporation or association which limit or prohibit foreign investment, participation or control. There are no other practices by private firms to restrict foreign investment, participate in, or control domestic enterprises. To the contrary, business owners claim that the government gives preference to foreign companies over local companies in the same sectors. There have been particularly vocal objections in cases involving Chinese companies.

Table 1: The following chart summarizes well-regarded indexes and rankings of Suriname

Measure	Year	Index or Rank
TI Corruption Index	2012	Ranked 88 th out of 176 countries
Heritage Foundation's Economic Freedom index	2012	Ranked 133 rd out of 179 countries
Word Bank's Doing Business Report	2013	Ranked 164 th out of 185 countries

Suriname is not a Millennium Challenge Corporation (MCC) Country.

Conversion and Transfer Policies

There are no restrictions on converting or transferring funds associated with an investment (including remittances of investment capital, earnings, loan repayments, lease payments) into a freely usable currency at a legal market clearing rate. Permission is required from the Foreign Exchange Commission to transfer any funds associated with a business or investment out of Suriname. There were no changes in remittance policies pertaining to the access to foreign exchange. The Central Bank is working to update the Exchange Law to ensure that foreign exchange takes place through the Central Bank in order to increase transparency. The government does not manipulate the currency to promote investment at the expense of firms not producing in the country.

General Decree 217 permits banking institutions to open accounts for non-residents, and conduct transactions on behalf of these non-residents, in all foreign currencies for which the Central Bank of Suriname has an official exchange rate vis-a-vis the Suriname Dollar. Account documents must clearly indicate the country of residency and the country of residency of the headquarters of the parent company. The general license does not apply to transactions of foreign currencies originating from the exports of minerals and/or transactions that are the result of such an export, unless a special license is granted or another law so permits. Banking institutions are required to provide the Central Bank of Suriname all necessary information regarding any transactions in order to assist in the Central Bank's oversight responsibilities of foreign exchange transfers to and from Suriname, as well as ease the balance of payments with other countries.

In 2011, the National Assembly approved legislation giving the Central Bank greater oversight authority over the commercial banks, cambios (privately owned foreign exchange businesses), insurance companies, and other credit institutions under its supervision. The legislation gave the Central Bank greater oversight over the issuance of licenses to new financial institutions. In 2012, Suriname passed additional legislation regulating oversight of money transfer offices and bank and credit system supervision. The legislation builds upon other measures passed to combat money laundering and terrorism financing and brings Suriname more in line with the standards of the Caribbean Financial Action Task Force.

The delay period varies for remitting investment returns such as dividends, return of capital, interest and principal on private foreign debt, lease payments, royalties and management fees, but it is relatively short. The Foreign Exchange Commission must give its permission. The time needed to process the request depends on the sector and the amount to be transferred. Transfers through the banking system can range from same-day transfers to one week. Investors can remit through the legal parallel market. A source of origin must be declared in cases where the

incoming or outgoing amount exceeds US\$5,000 or €5,000. There is no limitation on the inflow or outflow of funds.

Expropriation and Compensation

Article 34 of Suriname's Constitution states that expropriation will take place only for reasons of public utility, according to the rules to be laid down by the law and against previously assured compensation. Compensation need not be previously assured if, in case of emergency, immediate compensation is required. There is a right to compensation if the competent authority destroys or renders property unserviceable or restricts the exercise of property rights.

No single sector is at a greater risk of expropriation than others; although Article 41 of the Constitution specifically refers to all natural resources as being the property of the nation, and states that the nation has inalienable rights to take complete possession of all natural resources in order to utilize them for the needs of the economic, social, and cultural development of Suriname. While the Bouterse government said several times in 2010 and 2011 that it wanted to nationalize the Afobaka Hydro Dam from Suralco (Alcoa) for the symbolic amount of SRD1.00, the government took no action, and is currently negotiating with Suralco for additional bauxite exploration rights in new concession areas.

Dispute Settlement

Suriname's legal system is based on the Dutch Civil System. Laws are laid down in criminal, civil, and commercial codes and verdicts are based on the judge's interpretation of these codes. Article 131 of the Constitution prohibits interference with active court cases and this is generally followed in practice. Judges are considered to be impartial.

Every effort is made to settle investment disputes outside the court system or via appointed arbitrators. There have been no publicly known investment disputes over the past few years involving U.S. or other foreign investors or contractors in Suriname. Local dispute resolution proceedings typically last between one month and three years, depending on the complexity of the case and the willingness of parties to cooperate.

Judgments of foreign courts are accepted and enforced by the local courts only if Suriname has a legal treaty of jurisprudence with the foreign country involved. If not, the foreign judgment can be brought before the Surinamese court for consideration as long as the court determines it has jurisdiction and doing so does not otherwise violate any Surinamese laws. Suriname has no legal treaty of jurisprudence with the United States. With Suriname's participation and membership in the Caribbean Court of Justice, judgments from this court are also binding for local courts.

Plaintiffs have successfully filed suit against Suriname in the Inter-American Court of Justice of the Organization of American States. The Surinamese legal system upheld these verdicts.

Suriname consistently applies its commercial and bankruptcy laws. Companies have a right to file for bankruptcy with the courts. All records of debts are subsequently filed with a trustee as appointed by the court. The judge may declare bankruptcy in cases where there are a minimum of two creditors. In cases where there is a loan from a commercial bank, payment on this loan takes precedence. Monetary judgments are made in local currency, unless the contract or agreement stipulates otherwise.

The government accepts binding international arbitration only if it is stipulated in the contract or agreement and if it does not contradict any local laws. International arbitration is an accepted means for settling disputes between private parties, but only if local alternatives are exhausted. Most agreements involving foreign companies have clauses that clearly stipulate the laws applicable to the agreement.

Suriname has been a member of the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards since 1964, when the country was still a Dutch territory. At independence in 1975, Suriname automatically continued its membership in international conventions and treaties.

Performance Requirements and Incentives

Suriname is a member of the World Trade Organization. Suriname does not impose any performance requirements, nor does it provide any performance incentives, that are inconsistent with Trade Related Investment Measures (TRIMS) requirements.

The government does not impose performance requirements as a condition for establishing, maintaining, or expanding investments, or for access to tax and investment incentives. There are no requirements that investors purchase from local sources or export a certain percentage of output. Both local and foreign investors, however, have found it useful to purchase from local sources and import only those goods unavailable on the local market. Larger companies (e.g., in the extractive industries) have signed contracts for the delivery of products that are not readily available on the market. In the case of foreign investments, no requirements exist that nationals own shares or that the share of foreign equity be reduced over time, or that technology be transferred. Suriname does not impose any “offset” requirements, which would force foreign suppliers to invest in manufacturing, R&D, or service facilities in order to receive procurement approvals. With regard to the telecommunications sector, the government required companies Digicel and Uniqua to deposit US\$1 million each in a performance bond as a guarantee that the companies would provide the services for which they had requested licenses.

Under current regulations, investors can benefit from both tax- and non-tax-based incentives. Tax-based incentives include a nine-year tax holiday that can be extended by one year if the investment is at least US\$13 million, accelerated depreciation of assets, and tax consolidation. Under the Raw Minerals Act an exemption of import duties is granted for the import of raw materials from CARICOM member countries. Exemptions are also granted for the food industry, the soft drinks industry, and the fruit juice industry. In 2011 the government eliminated import duties on computers and related items.

In order to operate a company, investors must obtain a special industry license. There are no special requirements on percentage of local content or equity. No requirements exist for substitution for imports, nor for export targets. Investors are not required to use specific employment agencies, nor to transfer technology or use local sources of finance. In order for an investor to receive permission to hire a foreign national, the investor needs to show the Ministry of Labor that every effort was made to hire a host country national first. The rule does not, however, apply to specialists; in that case the company is free to use whomever it deems necessary for the operation of the company. The specialists must obtain work permits.

There are exceptions to the requirement that Surinamers must be hired first. For example, the GOS signed contracts with Chinese companies for construction and infrastructure projects which, through negotiations, included a stipulation that Chinese nationals may enter Suriname to work in jobs that host country nationals could have performed, including construction and engineering.

U.S. and other foreign firms are welcome to participate in research and development. Larger foreign investors, such as the Alcoa subsidiary Suralco, have played a major role in the establishment and maintenance of research facilities at the Anton de Kom University.

In 2009 Suriname's National Assembly passed legislation regarding the issuance of work permits to foreigners. Although the procedures remain the same, a foreign worker must apply first for a residency permit at the Ministry of Justice and Police, after which s/he can apply for a work permit at the Ministry of Labor. The legislation limits the term of a work permit to three years to better track the movement of foreign workers in Suriname and to prevent foreign workers from obtaining employment that could be performed by Surinamese citizens. The legislation also introduced a permit requirement for interns to prevent interns from holding positions that could be regularly done by Surinamers. Companies or organizations that want to employ interns are required to request the permit on behalf of the intern. CSME regulations assure the free movement of artists, university graduates, media workers, musicians, and athletes of CARICOM origin. CSME regulations also provide for the free movement of those who want to establish or conduct business in CARICOM nations.

Non-tariff barriers on both imports and exports include: proof of residency, registration with the Chamber of Commerce (KKF), Customs' import registration numbers, and tax identification numbers from the Tax Office of the Ministry of Finance. Under the 2003 Law on the Movement of Goods, the Ministry of Trade and Industry created "negative lists" for both imports and exports. Anything not on the "negative list" can be imported or exported without a license. Items included on the "negative lists" may only be imported or exported with special permission from the government. Examples of goods on the negative list for imports are: chemicals, pesticides, and animals on the Convention of Endangered Species and Faunas List. Examples of goods on the negative list for exports are: bark wood, explosives, gold, and other precious metals.

Tariff barriers include consent and statistical fees charged in addition to regulatory import duties. Suriname's tariff schedule comprises nine bands between 0 and 50 percent. Import tariffs from CARICOM member states range between 0 and 20 percent. In 2008, the Foreign Exchange Commission, through General Decree 216, began waiving consent fees in cases where the Ministry of Finance already exempted or suspended import duties. Imports from countries outside CARICOM, except the European Union, are subject to increased import duties due to the Common External Tariff (CET) adopted by CARICOM members. Imports are subject to a 7 percent turnover tax as stipulated under the 1997 Law on Turnover Tax. Exports are subject to consent and statistical fees. Companies in the bauxite sector pay a 2 percent statistical fee on both imports and exports. In the gold sector, IAMGold pays royalties of 2.25 percent, with an additional 6.25 percent if the price of gold exceeds US\$425 per troy ounce. A statistical fee of 0.5 percent is also applied on timber exports (except to CARICOM countries).

CSME regulations prevent members from importing products from outside of CARICOM if the same quality goods can be produced or delivered by fellow member states by a pre-set deadline, not taking price into account. Violations can lead to legal action at the CARICOM Secretariat. CARICOM grants suspension of the CET to member states when a commodity is not produced in a Member State or is produced in insufficient quantities to satisfy the requirements of the Common Market. When the CARICOM Secretariat grants a suspension to a member country, the country may then import a product from outside CARICOM at a rate lower than the CET. In 2008 the CARICOM Secretary General, based on a decision by the 19th Inter-Sessional Meeting of the Conference of Heads of Government of the Caribbean Community, gave member countries permission to partially or completely suspend import duties on products from outside the Community for one year. In 2009 the GOS extended this suspension for another year. The Trinidadian cement producer TCL and a Trinidadian grain miller filed cases against Suriname due to Suriname's import of cement and flour from non-CARICOM countries. In both cases the court ordered Suriname to reinstate the CET.

In October 2008, Suriname, as a member of the CARIFORUM, signed an Economic Partnership Agreement (EPA) with the European Union. Under this agreement the CARIFORUM countries agreed that all goods, except rice and sugar, enter their markets duty and quota-free. The agreement was never ratified by Suriname's National Assembly and is not yet in effect.

Right to Private Ownership and Establishment

Foreign and domestic private entities have the right to establish and own business enterprises and engage in all forms of remunerative activity. Once private entities register a business with the KKF they have the right to freely acquire and dispose of interests as they see fit.

Protection of Property Rights

Secured interest in property, both movable and real, is recognized and enforced. Mortgages are common and are registered by the Mortgage Office. Acquisition and disposition of all property rights are protected and facilitated by law.

Even though Suriname is a member of the World Trade Organization (WTO) and, since 1975, a member of the World Intellectual Property Organization (WIPO), it has not ratified the Trade Related Aspects of Intellectual Property Rights (TRIPS) agreement. While Suriname is officially party to the following international agreements on intellectual property rights, which came into force while it was still a colony of the Netherlands, there is little or no adherence to these agreements, as they are not incorporated into the country's domestic legislation:

- The Paris Convention for the Protection of Industrial Property (1883)
- The Berne Convention for the Protection of Literary and Artistic Work (1886)
- The Hague Convention concerning the International Deposit of Industrial Designs (1925)
- The Nice Agreement concerning the International Classification of Goods and Services for the Purpose of Registration of Marks (1957)
- The Strasbourg Agreement concerning the International Patent Classification (1971)

The current legal framework for discussing copyrights, patents, and trademarks dates back to 1912 and 1913, and is an amendment to a previously written law. Neighboring rights (related rights) in copyrights, geographical indications, industrial designs, and utility models, layout designs of integrated circuits, undisclosed information, or new plant varieties remain unprotected. The WTO TRIPS agreement has not been implemented or enforced. Suriname signed the WIPO Internet Treaties, but has not ratified them.

The Ministry of Justice and Police presides over the Bureau for Intellectual Property Rights (IPR) and publicly stated its intention to improve the country's IPR legislation, but has not

moved draft legislation forward to Parliament. The Bureau for Intellectual Property Rights drafted three pieces of IPR legislation, including an updated copyrights law, which is being evaluated by the legal department of the Ministry of Justice and Police. More advanced and specialized legislation (e.g., brand and music piracy, industrial property and associated rights) is slated to be added to the basic legislation once it is approved. Investors can register brands at the Bureau for Intellectual Property Rights and the Surinamese court system has a successful record of handling cases of brand infringement.

Transparency of the Regulatory System

No tax, labor, environment, health and safety, or other laws or policies are purposely used to impede investments. This does not, however, mean that they do not form obstacles to investment. Labor laws, for instance, prohibit employers from firing an employee without the permission of the Ministry of Labor, once the employee has fulfilled his or her probationary period, which by law is limited to two months. Tax laws are criticized as overburdening the formal business sector while there is a large informal sector, estimated to be roughly twice the size of the formal economy, which goes untaxed. As discussed below, lack of financial and accounting standards and poor government enforcement of existing regulations permits unscrupulous companies to avoid paying legitimate taxes and tariffs, thereby gaining competitive advantage over law-abiding firms, through measures such as under-invoicing and presenting fraudulent accounting records. In 2011 the government took its first step towards overhauling the tax system. The new system will be consumption-based rather than income-based. The government plans to implement a value-added tax in mid-2013. The Tax Department estimates that a full overhaul of the system could take up to five years and has proposed a phased introduction of modifications. Other proposed changes include the introduction of a real estate tax in place of the current rental value tax, an environmental tax, and a gold tax for gold buyers.

Bureaucratic procedures, including those for licenses and permits, are neither sufficiently streamlined nor transparent. The large number of civil servants involved in the process of granting licenses makes it a lengthy process that invites corruption. Both the World Bank, through its “Doing Business Report,” and Standard & Poor’s identify government involvement in the real economy to be a continued burden that undermines transparency and gives rise to corruption. In 2011 the government liberalized the licensing system so that applications for licenses only need to be submitted to the Business License Department of the Ministry of Trade and Industry. The government also reduced the number of business categories requiring a license to 26. These changes reduced the time and required steps necessary to establish a business; however the system continues to be overburdened and lacks sufficient transparency.

Laws and regulations are drafted in consultation with the relevant stakeholders in both the public and private sectors. After this, they are presented to the Council of Ministers for discussion and

approval. Once approved, they are sent to the President's advisory body, the State Council, for approval before being presented to the National Assembly for discussion, amendment, and approval.

Suriname's legal, regulatory, and accounting systems are based on Dutch standards. However, they are outdated and inconsistent with current international norms.

The Trade Law of 1936 governs the formation of companies in Suriname and provides the basis for accounting and reporting requirements for companies and partnerships. There is no overarching accounting and auditing legislation to regulate the accountancy profession. The legal and regulatory framework for corporate financial reporting, accounting, and auditing should be strengthened to promote greater accuracy and transparency. Currently there is no requirement for specific accounting standards, nor a requirement for auditing, unless specifically mentioned in the articles of association of the company. The Central Bank is considering draft legislation and regulations to reform the accounting system and bring it into greater conformance with international norms.

Most financial statements prepared in Suriname are based on The Netherlands' Generally Accepted Accounting Principles (NL GAAP). However, the government does not mandate that companies use a particular financial reporting standard, and companies use various methods, such as International Financial Reporting Standards (IFRS), mainly used by Multinational companies operating in Suriname. There is no government body responsible for auditing private firms and no requirement for independent audits. Suriname's major domestic corporations and other multinational companies operating in Suriname often apply their own standards. Many use one of the resident internationally-accepted firms such as Deloitte Consulting or BDO International, Ltd. for their accounting needs.

The government officially established a Standards Bureau in 2007. It works with local businesses on identifying needs for standards. Companies also hire international consultants or private firms to assist in certifying processes based on the ISO system. The Standards Bureau is working with stakeholders from different sectors on starting the process for developing standards for these sectors.

There are no private sector or government efforts to restrict foreign participation in industry standard-setting consortia. In most instances foreign participation is not only welcomed, but requested in order to bring standards in Suriname up to international norms.

Efficient Capital Markets and Portfolio Investment

The government has sufficient policies in place to support the free flow of financial resources in the product and factor markets. Credit is allocated on market terms and at market rates. Once established as a business in Suriname, foreign investors are able to get credit on the local market, usually with a payment guarantee from the parent company. The private sector has access to a variety of credit instruments. Larger companies can obtain customized credit products. There is, however, a Central Bank regulation that limits commercial banks' credit exposure to a single client. In March 2012, the Central Bank Governor witnessed the Trade Finance Facilitation Program Agreement (TTFP) between De Surinaamsche Bank (DSB) and the Inter-American Development Bank. The agreement should foster economic growth by guaranteeing stable and reliable sources of trade finance.

Lending rates for local currency are between 11 and 15 percent. The lending rates for U.S. Dollars and Euro loans are between 11 and 16 percent. The IMF has found the banking system to be strong, well capitalized, and profitable, but finds that compliance with prudential norms remains uneven.

The Central Bank of Suriname kept the effective reserve requirement for local currency at 25 percent. In 2011, the authorities increased the reserve on foreign currency denominated deposits at the commercial banks from 33 percent to 40 percent to stabilize the exchange rate and discourage dollarization in the immediate aftermath of the Surinamese dollar devaluation. At the same time the Central Bank implemented measures such as higher provisioning requirements for foreign currency loans and established limits on open foreign currency positions.

The 2012 IMF Article IV Consultation Report outlook confirms relative stability in the foreign exchange market, while moderate growth in net credit to the private sector is indicative of continued robust activity in primary and non-primary sectors. The combined ratio of non-performing loans has continued to come down. For foreign currency loans the ratio continues to fluctuate.

In September 2011 Suriname signed on to become the 183rd member of the International Financing Corporation (IFC) of the World Bank. Through this membership the government hopes to gain access to cheaper, long term funding for the private sector and assistance in the identification and development of new investment possibilities. In April 2012, the Central Bank Governor witnessed a cooperation agreement between the DSB and the IFC to provide partial or full IFC guarantees for individual trade transactions. The program allows the Central Bank to expand trade finance solutions for companies operating in the import/export sector.

The estimated assets of the country largest banks were

- DSB Bank (per June 30, 2012) US\$ 877.5 million

- Hakrinbank (June 30, 2012) US\$ 493.8 million
 - RBC-RBTT (per October 3, 2012) US\$ 825 billion
- (In 2008 the Royal Bank of Canada took over the Royal Bank of Trinidad and Tobago, parent company of RBTT Bank Suriname. Financial figures for this entire group are consolidated into the financial figures of RBC. Above asset figures reported are the assets in international holdings, other than U.S. RBC is Suriname's third largest commercial bank.)

Competition from State Owned Enterprises

Private firms compete under the same terms and conditions as public firms for access to markets and credit. Due to a lack of transparency, there is little information about the finances of existing state enterprises. State Owned Enterprises (SOE) have an advantage for resources such as land. Public sector enterprises in Suriname are established by special laws, or as public limited liability companies or foundations under the Commercial Code. Some of these enterprises receive subsidies from the government, which may be in the form of loans, but which (as in the case of utilities) are unlikely to be repaid.

State business and operations tend to be less transparent than private firms. Many do not file audited accounts or other official financial documentation, even though they receive transfers from the Government. Although every state-owned enterprise must send financial reports to the Court of Auditors, only about a quarter of state-owned enterprises have done so in the past.

SOE are active in the oil sector, airline sector, electricity and gas supply, water, bananas, rice, telecommunication, banking, and transport sectors. The government also owns several "authorities" that operate like regular businesses. The only SOE with private capital invested is Staatsolie that, through bond issuance in 2010, borrowed US\$55 million from private investors.

These companies are in most cases managed like a regular company with a Supervisory Board, whose members are appointed by the government. These companies consult with the respective ministry presiding over the sector on business decisions, and major decisions require government approval or consent.

In 2011, the government announced its intention to start an interim Sovereign Wealth Fund. The Central Bank prepared a draft legal framework for the establishment of this fund, which will be submitted to the authorities and presented to the public at large in 2013. The fund will reportedly have US\$20 million drawn from income from the extractive industries and will be managed by monetary authorities.

Corporate Social Responsibility

There is a growing awareness of corporate social responsibility (CSR) among both producers and consumers. Alcoa subsidiary Suralco was the leader on CSR issues in Suriname, and other companies have followed. Consumers took note of this trend and, nongovernmental organizations continue to benefit from CSR-funded programs. Firms that participate in CSR activities are viewed more favorably, though they are not required to publicly disclose their efforts. Locally-owned companies that stand out for their corporate social responsibility include: Staatsolie, Surinam Airways, Telesur, Fernandes Group of Companies (the largest local soft drinks bottler), and McDonalds Suriname.

The GOS realizes the benefits of CSR and incorporates it into some partnerships and agreements. For example, recent agreements between Staatsolie and foreign companies for off-shore oil drilling include stipulations for CSR spending. However, the GOS allows companies to develop their own policies and standards while encouraging local community members to negotiate with larger companies directly. The government enforces existing domestic laws with respect to labor and employment rights, and is drafting an environmental protection law and a consumer protection law.

Political Violence

There have been no incidents over the past few years involving politically motivated damage to projects and/or installations. In November 2007, 25 defendants, including current President Desiré Bouterse, went on trial for the December 8, 1982 murders of 15 prominent democracy activists. The judge suspended the case in 2012, pending constitutional review of recently-passed amnesty legislation by a yet-to-be installed Constitutional Court.

Corruption

No U.S. firms have reported corruption as a major obstacle to foreign direct investment. Suriname has signed and ratified the Inter-American Convention against Corruption. Suriname has not yet signed or ratified the UN Anti-Corruption Convention. The country is not a signatory to the Organization for Economic Co-operation and Development (OECD) Convention on Combating Bribery.

The Ministry of Justice and Police is responsible for combating corruption. The Fraud Department of the National Police is in charge of investigating corruption cases. The government has also established an Anti-Corruption Working Group at the ministerial and technical levels to assist the police in combating corruption. No international, regional, or local nongovernmental anti-corruption “watchdog” organization operates in Suriname. Suriname

ranked 88 out of 174 countries on the 2012 Transparency International Corruption Index. It was ranked 100 out of 182 countries in 2011.

Suriname does not have special anti-corruption legislation in place, but the penal code refers to anti-corruption. Under the previous government the Ministry of Justice and Police drafted anti-corruption legislation, but it has not been addressed by the National Assembly. In 2012, opposition Parliamentarians introduced new anti-corruption legislation, but it has not been placed on the legislative agenda.

Anti-corruption measures in the penal code are enforced, and the majority of those prosecuted to date have been civil servants. Corruption is most pervasive in the areas of government procurement, license issuance, land policy, and taxation.

Accepting or giving a bribe is a criminal act, which is punishable by a fine or a prison sentence of three months to five years, depending on the severity and/or amount of the bribe.

Although senior government officials state that they take anti-corruption efforts seriously, there is a widespread public perception of corruption in parts of the government structure, and there have been incidents of corruption uncovered by the current and previous governments.

Bilateral Investment Agreements

Suriname has bilateral investment treaties with Indonesia and the Czech Republic. Suriname is an original Member of the WTO and grants MFN treatment to all its trading partners. It has General Agreement on Trade in Services (GATS) commitments in 12 sectors. In 1993, Suriname signed an Agreement on Bilateral Trade Relations with the United States; however, the agreement has not been ratified by the National Assembly.

Other international agreements into which Suriname has entered are:

- A double taxation treaty with the Netherlands
- A trade agreement with the People's Republic of China (1998)
- The Treaty of Chaguaramas, which established the CARICOM and subsequently led to the creation of the CARICOM Single Market and Economy.
- Trade agreements by virtue of CARICOM membership with Venezuela, Costa Rica, Brazil, Cuba, the Dominican Republic, and Colombia.
- Trade promotion treaties with Indonesia, India, and China.
- CARIFORUM – E.U. Economic Partnership Agreement (This EPA also has some provisions for investment between the two regions.)

OPIC and Other Investment Insurance Programs

Suriname is a party to the Multilateral Investment Guarantee Agency Convention (MIGA Convention), but not to the Convention on the Settlement of Investment Disputes between States and Nationals of other States (ICSID Convention). While Suriname signed an Investment Incentive Agreement with the United States in 1993, there currently are no Overseas Private Investment Corporation (OPIC) programs in operation in Suriname. In the event OPIC should pay an inconvertibility claim, the official currency exchange rate for the U.S. Dollar is SRD 3.35 for USD \$1.00. This is the same rate used by the U.S. Embassy. The estimated annual dollar value of local currency used by the Embassy is USD \$ 410,000. According to the 2012 IMF Article IV Consultation Report, the de facto exchange rate arrangement is considered “stabilized.”

Labor

Labor unions in Suriname are independent of the government, but play an active role in politics.

Some sectors in Suriname are more prone to labor shortages than others, such as the agricultural and service sectors. In the technical sector there is a shortage of skilled technicians to operate and repair heavy equipment commonly used in the extractive industries. The government continues to be the largest employer in country. Suriname is a member of the ILO and adheres to ILO conventions. The Ministry of Labor has for some years worked to implement a minimum wage system, but this did not move forward in 2012. Actual implementation continues to be hampered by lack of an agreement between all stakeholders. The Ministry of Labor announced that it will conduct a wage study in 2013 in all sectors of the economy.

In 2009, Suriname implemented the Civil Service Wage Reform Program (FISO) system for government workers, which reclassified each position in government to streamline categories of workers and their pay rates. The government implemented Phase II of FISO in 2010 and 2011, which included a wage increase for approximately 45 percent of civil servants.

Foreign companies are required to give preference to hiring Surinamese nationals. Foreigners require both a residence permit and a work permit to work in Suriname.

Foreign Trade Zones/Free Trade Zones

There are no duty free trade zones, duty free import zones, or duty free ports in Suriname.

Foreign Direct Investment Statistics*

Recent data for foreign direct investment—Source for the data is:

http://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD?order=wbapi_data_value_2011%20wbapi_data_value%20wbapi_data_value-last&sort=asc

FDI Inflow in Millions of US\$

2007	2008	2009	2010	2012
246.7	231.4	93.4	247.7	145.2

A list of foreign direct major investments in Suriname:

- IAMGold and the GOS reached an agreement, pending expected ratification in the National Assembly, regarding the expansion of the Rosebel Gold Mine in Brokopondo. The total investment is approximately USD \$1.5 billion.
- Newmont Mining and the GOS signed a mining services agreement. When the agreement is approved by the National Assembly, the company will invest approximately USD \$1.2 billion in the Merian area in eastern Suriname.
- Kosmos Energy and Murphy Oil will continue exploration activities for offshore oil along Suriname's northern coast according to a 2010 agreement with Staatsolie.
- Apache Corporation signed an exploration contract with Staatsolie for offshore oil exploration in 2012. Total investment is approximately US\$ 230 million.
- United Arab Emirates-based DW World acquired a 51 percent stake in two port operating companies in Suriname.
- Hong Kong-based Greenheart Group Ltd. invested in two giant saw mills in Suriname's interior and announced plans to construct a bio energy plant which will generate power for the processing facility in West Suriname from its own wood waste.
- The government extended two licenses for Orion Resources, a subsidiary of Canadian-based Suparna Gold, for gold exploration activities in the Sara Creek area.